NOVEMBER 11, 1963

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MORE IRRIGATED LAND FOR MEXICO'S CROPS

WHAT FOREIGNERS ASK ABOUT OUR AGRICULTURE

OUR MARKET COOPERATORS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

NOVEMBER 11, 1963

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Mexican worker looks at improved variety of wheat. Irrigation has helped expand wheat output to the point where Mexico is now self-sufficient in this product (story on p. 6).

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What Foreigners Ask About Our Agriculture

People around the world have a lively interest in American agriculture. Here are some questions that are frequently asked, and the answers.

Question: Why does the United States support liberal trade policies but at the same time restrict agricultural imports from other countries?

Answer: Liberality of trade policy is a matter of degree. In actual fact, the United States has the most liberal agricultural import policy of any major nation. Its tariffs on farm commodities are moderate, averaging less than 10 percent ad valorem; and its nontariff controls on these commodities protect only 26 percent of its agricultural production. In contrast, in Western Europe, except for the United Kingdom, between 60 and 100 percent of agricultural production is protected by nontariff barriers.

The United States has import controls only on wheat and flour, sugar, cotton, peanuts, and some dairy products. All other farm products can and do come in from other countries without restriction, except for paying moderate duties and meeting health and sanitation requirements.

In addition, for most of the commodities under import controls the United States also maintains some form of production or acreage control; it does not allow domestic output to flood the world market. In addition, it has special permission for these import restrictions under the General Agreement on Tariffs and Trade; and it regularly reports to GATT's Contracting Parties on the reasons for maintaining the restrictions and the steps it is taking toward their eventual removal.

Question: But if the U.S. farmer is as efficient as he is said to be, why does he need the help of these import controls at all? And why does he need export subsidies?

Answer: It is his very efficiency that makes both these policies necessary. The U.S. farmer has been the leader of the world breakthrough in agricultural technology. His efficiency is reflected in abundant production, which in turn would be reflected in very low prices were it not for the various U.S. farm programs that seek to improve the domestic price level. Import controls prevent these improved prices from attracting a flood of imports that would depress domestic markets. Export subsidies, filling the gap between domestic and world prices, enable the U.S. farmer to compete for a reasonable share of the world market. The only products currently receiving these export payments are cotton, dry milk, rice, and wheat. From time to time also, the Commodity Credit Corporation offers stocks of certain other commodities on a selected basis at world prices—which may be less than domestic prices. Again, it should be pointed out that very few U.S. farm products are protected, and that output of these products is not allowed to expand without check.

Question: Why should the farmer be any more entitled to have the prices of certain products maintained by the government than a toy manufacturer or a retail merchant?

Answer: Manufacturers, retailers, and unionized workers have something to say about the prices of the goods and services they sell. The farmer does not. Without government programs, he would have to sell his products at prices that are influenced by supply and demand factors completely outside his control. His only "income insurance" against disastrously low prices is the government support program and related activities.

Yet no one is more fundamental to the U.S. economy. Neither the government nor the U.S. consumer can afford to leave the prices of agricultural products entirely to the forces of supply and demand, for what is at stake is the food and fiber-producing mechanism that supplies millions of people both here and in other countries.

Question: Doesn't the United States use sanitary controls as an "excuse" for keeping out foreign agricultural products, such as fresh beef from Argentina?

Answer: Sanitary controls are not an "excuse" for keeping out imports, but a necessary protection against the real and continuing danger to U.S. agriculture from outside pests and infection. All agriculturally advanced countries — Japan, Canada, Australia, New Zealand, the EEC Six— have similar restrictions.

In the United States, as in the other countries, sanitary controls—far from being based on international politics or the fear of competition—are designed to safeguard the nation's big investment in its food plant. The U.S. cattle industry alone, for example, is worth some $14 billion. If quarantines were relaxed and diseased meat or animals permitted to enter, that industry could be ruined and the price of livestock products sent soaring.

The United States does not keep out fresh beef or animals from countries that are disease-free; in fact, 1 out of 10 pounds of beef eaten here is imported. The two nearest U.S. neighbors, Canada and Mexico, are major contributors to the U.S. beef supply; Canada sends feeder cattle and Mexico both feeders and beef. Both countries have successfully combatted deadly foot-and-mouth disease within the past decade. The United States, partly in defense of its own livestock industry, gave Mexico financial help in winning this battle; for foot-and-mouth recognizes no borders.

Question: Does it make sense for the United States to spend millions of dollars on irrigation projects and production research and billions on discouraging production?

Answer: There is no conflict here. The U.S. economy, in both its industrial and its agricultural aspects, is built on research and technology. Industry, for example, is not running at full capacity; but neither has it stopped its re-

search and development program. Both industry and agriculture must continue to seek improved efficiency through technology; for the efficient producer has lower costs per unit and is in a sounder economic position. The question really is, how to adjust the national economy to the changes research brings.

Question: Doesn't the U.S. acreage control program limit the efficient farmer by limiting his rate of expansion?

Answer: The efficient farmer is having no difficulty expanding. Statistics show that the efficient family farm not only is holding its own but is dominant. Between 1949 and 1959, U.S. family farms of adequate size (i.e., marketing at least $10,000 worth of products) doubled in number. Small family farms, those of uneconomic size, decreased sharply, and—somewhat surprisingly—so did farms larger than family-size.

Question: Don't U.S. Food for Peace shipments under Public Law 480 tend to restrict output in underdeveloped countries by holding prices down and reducing local producers' incentives?

Answer: In many recipient countries, the problem is not maintaining producers' incentives but preventing runaway inflation in food prices. In this, Food for Peace shipments have been tremendously valuable. At the same time, the United States and the recipient governments are careful to see that the additional supplies do not drive producer prices down below reasonable levels.

All countries receiving these food shipments have programs to stimulate local food production. Few, however, are as yet in a position either to produce or to buy in the world market all the food they need. With U.S. food aid, some of these countries can speed their development along other lines, better enabling them to buy their food needs in the commercial market. Others can develop their agriculture and later be able to produce more of their own food supply.

Question: Why does the United States indicate that generosity motivates its Food for Peace program when surplus disposal was one basic reason for the original P.L. 480 legislation?

Answer: Public Law 480, or the Food for Peace program, is firmly rooted in the American tradition of helping others; but it would not exist if the American breakthrough in farm technology had not provided the abundance that makes the program possible.

The surplus disposal contribution of the Food for Peace program does not discredit the humanitarian service it performs nor the good will it engenders. And, in reverse, the program's humanitarian aspect does not discredit its usefulness in moving heavy inventories without disrupting world markets. That the law serves two purposes rather than one does not diminish the importance of either.

USSR Making More Fertilizer, Farm Machines

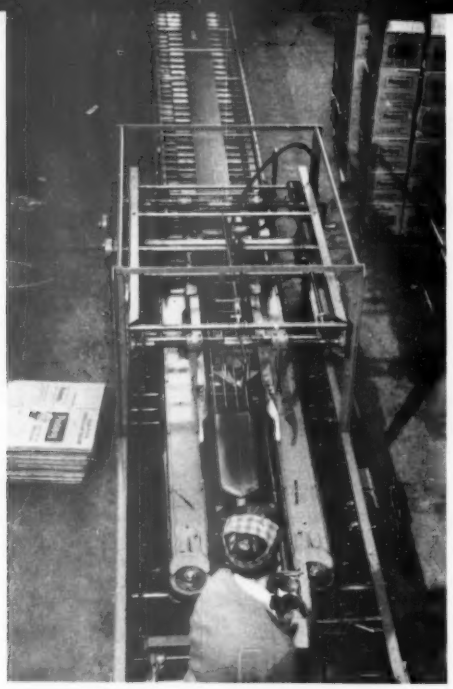
The official emphasis that the Soviet Union has been placing on greater farm output is apparently being supported by stepped-up production of agricultural machinery and chemical fertilizers.

Published reports reveal that for the first 9 months of 1963, these two branches were the fastest growing of all Soviet industry.

Between 1958 and 1961, output had slackened considerably. In 1962, however, it rose sharply over 1961; and in January-September 1963, while total industrial production was rising by 9 percent over the same period of 1962, the output of fertilizer went up 14 percent, and that of all farm machinery together, 17 percent. The 1963 production goal for fertilizer—one of Soviet farming's most urgent needs—is 20 million tons. If the present pace continues through the last quarter, this goal could be met.

SOVIET OUTPUT OF FERTILIZER AND CERTAIN FARM MACHINES, 1961, 1962, AND JANUARY-SEPTEMBER 1963

Item	Unit	1961	1962	January-September 1962	January-September 1963	1963 as % of 1962
Total industrial production						108.7
Chemical fertilizer	Million tons	15.3	17.3	12.2	14.2	114.0
Agricultural machinery						117.0
Specified machines:						
Tractors	Thousands	263	287	210	241	115
Tractor-drawn plows	do.	138	141	106	132	124
Tractor-drawn planters	do.	140	162	117	148	126
Tractor-drawn cultivators	do.	91	121.8	—	113	128
Combines:						
Grain	do.	76	79.8	59.3	62.5	105
Sugar beet	do.	5.6	10.1	7.0	11.0	157
Corn	do.	12.6	26.9	19.5	21.7	111
Silage	do.	28.5	47.5	34.3	42.6	121
Cotton pickers	do.	4.3	6.1	—	5.1	116
Mowers	do.	92.1	97.6	78.3	78.5	102
Grain cleaners	do.	10.4	11.1	8.3	10.5	127



Above, machine fills and seals cans of single-strength orange juice. Left, cans are packed in cartons for shipping. Most of this machinery was manufactured in the U.S.

Argentina Now Processing More Citrus With Hopes of Boosting Foreign Sales

Argentina, one of the largest citrus-producing countries in the Southern Hemisphere, by 1964 will be able to process about half of its annual output of 25 to 30 million boxes of oranges, tangerines, grapefruit, and lemons. And this, surprisingly enough, has been accomplished with little fanfare in less than 3 years.

To the citrus industry itself must go most of the credit for this new development. In the late 1950's Argentine citrus seemed to be heading for trouble. Production had expanded at a faster rate than domestic consumption. Outside the eastern metropolitan centers little citrus fruit was available, and even in these centers the flooding of the market with poor quality fruit reduced prices without stimulating consumption appreciably. Exports could not take up the slack because of an inefficient and expensive transportation system which prevented growers from offering quality fruit at competitive prices. Consequently, in years of good yields some 30 percent or more of the oranges and tangerines produced were unharvested or unsold.

Since the industry could not rely on any immediate improvement in the transportation system, the only solution seemed to be the diversion of the surplus fruits into processed products. The firms that had dominated citrus marketing for many years were the first to make the very large investments involved. They also received some financial help from both national and international agencies, of which the Inter-American Development Bank was one. Most of the equipment and machinery were purchased in the United States.

In 1961 the first processing plants opened, turning out mainly single-strength orange and grapefruit juices. The next year several more plants started operations, with concentrates —orange, grapefruit, and lemon — making up a large share of the output. Lately, frozen 4-to-1 concentrates have been introduced.

Argentina's economy is already gaining from this new industry which, to its good fortune, has matured at a time when several of the more important citrus-exporting countries, including the United States, have suffered moderate to heavy losses from freezes. As a result, Argentina this year is shipping substantial quantities of citrus concentrates to West Germany and Canada, both countries that normally buy in the United States. One firm alone anticipates export sales valued at $3 million during the current marketing year.

Within the next 3 years the industry expects to reach a figure of $10 million a year from its processed products. Bright as these prospects are for exports, they do not blind the processing industry to the fact that the bulk of its output must be absorbed domestically. (It is expected that no more than 20 percent of the total output will be shipped abroad.) But fortunately, with the processed products now available in local markets, the country's per capita citrus consumption is increasing.

The industry also recognizes that in a year with normal production in other citrus-growing countries it may have difficulty in maintaining its foothold in world markets unless it can improve the quality of its products and at the same time reduce costs, which are now fairly high. The Argentines are confident this can be done and foresee the consolidation of gains in both domestic and foreign markets. —QUENTIN R. BATES
U.S. Agricultural Attaché, Argentina

More Irrigated Land for Mexico's Crops

Long handicapped by lack of arable land, Mexico today is expanding its cultivated area and upping output through extensive irrigation.

Through its irrigation system, which is today one of the largest in the world, Mexico has been able to convert vast areas of desert into productive farmland. Output from these regions has helped to make that country practically self-sufficient in food and an important exporter of such commodities as cotton, sugar, coffee, melons, and tomatoes.

Many parts of Mexico suffer from lack of rainfall. Described as one of the most "violent and diversified" geographical areas of the world, Mexico has long been plagued by dry, semiarid land in the north and by swampy tropics in the south, with only the Central Plateau or "Old Mexico" suitable for widespread cultivation.

This situation is fast changing, as more and more land is opened up through irrigation projects; i.e., the Yaqui Valley development, covering more than 550,000 acres, Bajo Río Bravo, with about 500,000, and Fuerte Valley, with 568,000. Large-scale projects such as these encompass more than 6.7 million of the approximate 12 million irrigated acres under cultivation in Mexico. (Total cultivated area amounts to 42 million acres.)

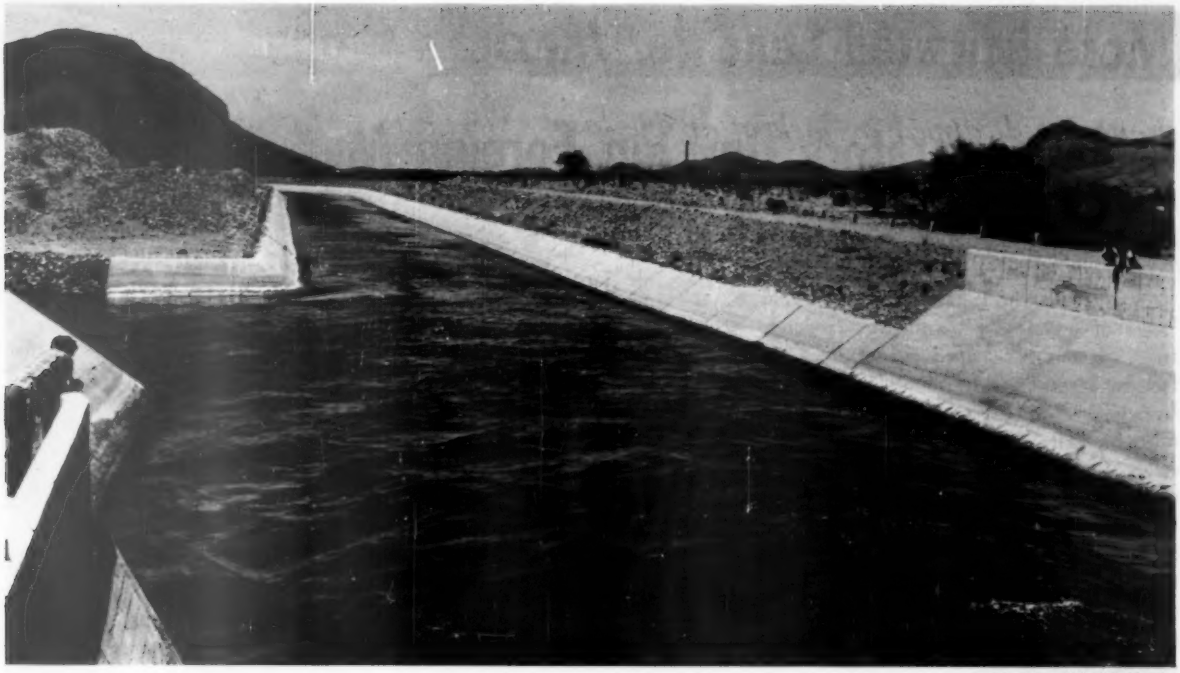
Irrigation has especially benefited output of cotton and wheat in northern and western Mexico where 70 percent of the country's wheat and over 95 percent of its cotton are grown. Production of these crops has expanded so greatly that Mexico is now self-sufficient in wheat—long a deficit food item—and ranks as the world's second largest exporter of cotton.

Cotton and wheat are not the only Mexican crops profiting from irrigation. Also relying on it are sugarcane, rice, alfalfa, winter vegetables, flax, tobacco, and onions. Output from irrigated areas makes up about a third of Mexico's total production and almost a third of its exports.

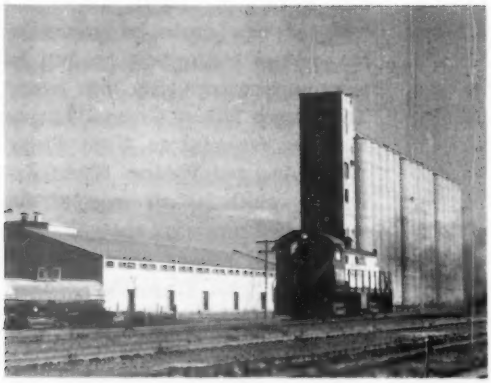
Mexico's water development program is administered by the Ministry of Hydraulic Resources, a separate Cabinet office established in 1946. Its current project is the rehabilitation of 22 large irrigation districts where inadequate drainage systems have led to rising water tables and consequently to deterioration of soils. Assisting the first stage of this program is a World Bank loan of $15 million made in January 1961. It provides for improvements in four districts covering 1,430,000 acres on Mexico's northwest coast. Three more districts, encompassing 820,000 acres, will be improved under another World Bank project, announced this spring. They are Bajo Río and Bajo Río San Juan, located just south of the Mexican-United States border in northeast Mexico, and Ciudad Delicias, which lies some 600 miles to the west in north-central Mexico.

Works to be undertaken are the digging of new drains and the renovation of existing ones, the lining of canals, and the improvement of control structures.

Left, picker weighs and credits cotton in Culiacan in northwestern Mexico. Below, field worker irrigates cotton field in Yaqui Valley by siphon pipe method.



Photos, World Bank



Above, main canal leading from Alvaro Obregon Dam on Yaqui River—part of current project to rid land of salt and reclaim it for cultivation. Bottom, pumping plant in Sinaloa.

Left, a locomotive waits in front of a huge grain elevator in railroad yards of Ciudad Obregon. Lower left, harvesting wheat in Mexican State of Sonora.

U.S. Cooperators Develop Foreign Markets

By JAMES O. HOWARD, *Director Trade Projects Division, FAS*

There was enthusiastic applause from the audience as the cast lined up for the curtain call. The star performers included a leading Japanese movie actress, a top actor, a crack comedy team, supporting actors, actresses, and models.

This was Japan's Fall Leather Style Show. Sitting in the front row were the leaders of the two organizations which had made it possible, the Western States Meat Packers Association and the All Japan Leather Association.

The leather style show is an example of what can be done in market development through the cooperation and support of U.S. and foreign industry groups. Before this market development program got under way in 1959, there was very little interest in export promotion for hides by any of the several livestock and meat organizations in the United States. The major hide market was considered to be at home, not overseas.

The Western States Meat Packers Association, among others, eventually became interested in foreign markets for hides and got together with the Department of Agriculture in organizing a promotional program in Japan. Interest was stimulated among the trade in Japan in forming their own promotional organization, the All Japan Leather Association. The result was the leather style show and other market development activities which have helped to greatly increase the market for U.S. hides in Japan.

The leather project in Japan has cost about $150,000 per year. One half of this amount has been provided by U.S. Government funds and the U.S. cooperator. The balance has come from the Japanese association. Has this outlay of U.S. funds been justified? Was it worth the many extra hours of work for our agricultural attaché in Japan, the added administrative costs in Washington, and the involvement of government in an area which previously had been considered a primary responsibility of the trade?

The U.S. trade answers in the affirmative. They have seen their sales to Japan increase from $12 million in 1959 to over $27 million in 1962, and the emergence of a cohesive, widely supported marketing force that never existed before.

Ten years ago very little was being done in overseas market development by U.S. agricultural producers and trade associations. Some individual firms were active, but not their associations. There were perhaps a half dozen association representatives in cotton, tobacco, fruit, and wheat flour, who traveled overseas with some regularity, but they were concerned mostly with research and reporting on market conditions. There was almost no direct promotion by these groups.

Cooperators begin

Today there are over 40 U.S. trade and agricultural groups actively participating in overseas market development. Practically every U.S. agricultural export commodity is represented by one or more associations. They are generally spoken of as U.S. cooperators.

When the U.S. Department of Agriculture decided in 1955 to work through U.S. producers and trade associations in carrying out the new market development program launched under Public Law 480, the response was mixed. Those associations that were well organized and already interested in the foreign market came in early. These included the Cotton Council International, the three tobacco groups, Tobacco Associates, Inc., Leaf Tobacco Exporters Association, Inc., and the Burley and Dark Leaf Tobacco Export Association, Inc., (which have now been joined by the Virginia Dark-Fired and Sun-Cured Tobacco Export Association, Inc.), the Oregon Wheat Growers League, and the Millers' National Federation, among others.

Cooperators expand

The American Soybean Association started early with a program in Japan but the industry leaders felt the need to bring in the crushers, so the Soybean Council of America was organized and now carries on promotion for soybeans and soybean products in numerous countries other than Japan. The Oregon Wheat Growers League has now expanded to Great Plains Wheat, Inc. and Western Wheat Associates, which include most of the major wheat producing states. A number of U.S. poultry groups formed the International Trade Development Committee which selected the Institute of American Poultry Industries to act for it. The bulk of the U.S. feed grain industry was not export minded and progress for that industry was slow. The fast growing grain sorghum industry in the southwest finally took up the challenge, and from that beginning came the present U.S. Feed Grains Council.

Most of these have foreign offices. Other cooperators with overseas offices include the U.S. Rice Export Development Association, Dairy Society International, National Renderers Association, Florida Citrus Commission, and the California Raisin Bureau.

Other associations, either because of their size or nature of their business, may never have the need for foreign offices and permanent overseas field representatives. They work through public relations firms overseas, or

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This is the first of two articles on market development by DR. HOWARD. *The second, in the issue of November 18, will be on techniques.*

Part of overseas promotion by three of the oldest U.S. cooperators: Clockwise, Tobacco Assoc. in Japan; Cotton Council in Rome; Great Plains Wheat in Brazil.

through foreign trade associations, or a combination of both.

Cooperators with active project agreements, in addition to the associations previously mentioned, include the California Prune Advisory Board, California-Arizona Citrus Industry, (represented by Sunkist Growers, Inc.), Cranberry Institute, Red Cherry Exports, Inc., Dried Fruit Association of California, National Dry Bean Council, Texas Certified Seed Producers, Inc., National Hide Association, Tanners' Council of America, Inc., National Livestock & Meat Board, plus a number of associations of livestock breeders which export breeding stock. Altogether, these cooperators have 58 offices in 25 different countries, plus their U.S. offices. Their combined staffs total over 300 employees, here and abroad, who spend a majority of their time on this program.

These U.S. groups work with foreign importers, processors, and distributors of U.S. agricultural products, who share the cost of a joint promotion program. Contributions by these foreign cooperators have greatly multiplied the amount of money being spent to expand U.S. agricultural export markets.

Various European textile associations, for example, now pay half the cost of a cotton promotion program which has convinced the trade that cotton can hold its own with synthetic fibers and is, indeed, worthy of promotion. Some country groups, like those in France, have recently indicated their willingness to contribute to a still larger program. In Japan, the textile industry has within the past year voted a fourfold increase in its contribution to the cotton program.

Tobacco monopolies in countries like Thailand were spending no money on promotion until the U.S. tobacco cooperator came along. In other cases, foreign cooperators, like the All Japan Leather Association, were organized specifically to work with their U.S. counterparts.

The financial contribution of these U.S. and foreign cooperators is substantial and is increasing every year.

From the beginning, the U.S. Government has asked each U.S. cooperator to pay most of the U.S. costs, including those of a staff which would adequately supervise and backstop the program. In 1956, the first year of program operations, the processors, farmers, and others who provide the cooperators' money were naturally skeptical, and supervisory costs were all that most were willing to pay. In contracts signed that year, they committed themselves to only $165,000. During this past fiscal year, the cooperators committed themselves to an expenditure of over $7 million.

In most contracts written today, cooperators with established programs commit themselves, either from their resources or those of foreign cooperators, to at least 50 percent of the amount made available by the government. In many cases, the commitment is equal to that of the government. Furthermore, in most cases, the cooperators' actual expenditures greatly exceed their commitments. As a result, total cooperator contributions, counting goods and services, as well

as cash, almost equal that of the U.S. Government.

What are these groups accomplishing? Clifford G. Hope, former Chairman of the House Agriculture Committee who recently retired after several years as president of Great Plains Wheat, Inc., expresses it in this way: "The effort being made in developing foreign markets is one of the most significant movements in agriculture today, and offers our greatest hope of maintaining and expanding a vigorous agricultural industry".

Greater export emphasis

Most results defy precise statistical measurements, but the program has certainly been one of several factors responsible for the record level of U.S. exports during the past 3 years. One clear accomplishment of the program has been in making the U.S. agricultural industry more export minded and that extends from the farmer through merchants, processors, packers, and exporters.

One can see this at a meeting of wheat growers where the room is spotted with leading farmers and staff members who have had overseas experience under this program. The recent success of the wheat growers in helping bring about reduced freight rates on U.S. wheat moving from the Great Plains to the west coast, so that it can compete successfully in the Asian market, attests to the growing export awareness of this industry. This awareness includes increasing understanding of the export job which must be done at home on such subjects as grades, packaging, and price.

Industry contribution

The contribution being made by individual firms and trade associations to this export expansion drive is steadily increasing. They are convinced that it pays. The Cotton Council International estimates, for example, that the increased advertising of cotton by individual mills, department stores, and other interested firms brought about by this program is worth many times the amount of government funds spent. The cooperators are constantly seeking this multiplier effect in their programs.

U.S. Exhibition Underway in Amsterdam As Tradesmen Pour in From West Europe

U.S. farm commodities—the largest display ever assembled—are drawing hundreds of Western European importers to the U.S. Food and Agricultural Exhibition which opened on November 7 in Amsterdam. Many will also attend the Symposium on Agricultural Trade—another important part of the 18-day Exhibition—which begins this week.

At the self-service food market—where in a half acre more than 1,000 food items are on sale—tradesmen and European consumers are being introduced to many products not yet marketed in Europe. About 100 commercial firms are selling foods in this area. A huge kitchen at the market's center, operated by the Grocery Manufacturers of America, is emphasizing the ease of preparation of convenience foods.

In demonstration kitchens surrounding the market, nearly 20 U.S. cooperating groups are promoting agricultural products. Some highlights: U.S. variety meats are being served as hors d'oeuvres and sandwich snacks; the recently formed National Dry Bean Council is dishing out bean soup; the Millers National Federation is demonstrating cake mixes and other wheat food products.

In a separate commercial area containing 70 booths, over 30 U.S. food manufacturers, or their European agents, are both showing and selling foods and farm products. At its booth, Great Plains Wheat is launching a doughnut promotion campaign in the Netherlands. The U.S. seed industry, the peanut industry, and variety meat processors are kicking off new market development programs in Western Europe at the Exhibition.

Other Exhibition features reportedly catching attention of tradesmen: the latest developments in cotton wear, including new comfort stretch fabrics and no-iron cotton skirts with permanent pleats — a modern U.S. cigarette-making machine in operation, producing 75 packs a minute—and the U.S. leather fashion show that was a hit at the recent "Semaine du Cuir" leather show in Paris.

Carrying out the two-way trade theme of the Exhibition is a display of the products—both agricultural and industrial—which Western Europe sells to the United States. The exhibit has such items as flower bulbs and roots, precious stones and metals, photographic goods, and cheese.

On November 16, 19, and 21 European tradesmen will participate in a food marketing seminar conducted by leading food experts from the U.S. food industry. There will be a half-day devoted to self-service retailing, covering such topics as new methods of managing independent and multi-unit stores; how to analyze customer traffic and buying habits; and how to be a strong competitor and make a profit. The afternoon session will be on handling fresh fruits and vegetables for profit and will cover the latest techniques of receiving, storing, handling, pricing, and displaying products.

Speakers will be William Rogers, Director of Personnel, Giant Food Stores, Washington, D.C., and Dr. Raymond W. Hoecker, Chief of Wholesaling and Retailing Research of the U.S. Department of Agriculture. Leading a discussion among European food leaders will be J. J. G. de Winter, Dutch economist.

First U.S. Wheat Exhibit At Brazil Bakers Congress

Great Plains Wheat exhibited for the first time at the recent biennial National Bakers Congress in Porto Alegre, Brazil. The mobile kitchen on display — used to demonstrate wheat and pasta products in Brazil's marketplaces—brought inquiries from bakers on U.S. wheat market development programs. Some 600 delegates, representing 20,000 bakers in 18 states attended the conference to discuss needs of the baking industry.

U.K. Announces Dollar Area Citrus Quotas

The U.K. Board of Trade has announced that the quota for imports of canned grapefruit from the dollar area from October 1, 1963, to September 30, 1964, will remain at the 1962-63 level of 450,000 pounds sterling, c.i.f.

The quota for imports of grapefruit juice and orange juice from the dollar area will also remain unchanged, at 300,000 pounds sterling, c.i.f.

The Board stated that if any change in the quota arrangements for import of citrus products should arise out of the negotiations between the United Kingdom and the United States on this subject, a separate announcement will be issued.

Germany Sets Canned Fruit Import Tenders

The West German Government has announced import tenders on cocktail and maraschino cherries from the United States and on nonliberalized canned fruit from all non-East-Bloc countries.

The tender on cherries covers those packed in glass jars containing up to 8 ounces. That on canned fruit refers to nonliberalized fruit, without sugar added, in containers other than barrels containing less than 5 kilograms but having a total weight of 5 kilograms.

Both tenders contain the following regulations:

- Import licenses may be applied for until the undisclosed value limit has been reached, but not later than June 30, 1964.
- Licenses will be valid until June 30.
- First day of customs clearance is January 1.

UAR's Main Winter Onion Crop Down

Plantings of the 1963-64 Egyptian main winter onion crop will be about 37,400 acres—down more than 35 percent from last year's record acreage and about 4 percent from the 1957-61 average. Based on the 1957-61 average yield, the 1963-64 crop should total about 5 million hundredweight. Last year's crop was 7.3 million and the 1961-62 one, 4.7 million.

The main winter crop, grown in Upper Egypt south of Cairo, is the largest of the country's three onion crops and supplies nearly all its exports of fresh onions. It is planted in October and November and harvested in February and March. The other two crops are the delta, harvested from July to October, and the early winter, harvested in December.

Fluctuations in the size of the main winter crop are due primarily to variations in yield rather than acreage, with cool weather the principal factor. The size of the crop becomes apparent about January 20. Normally, export shipments start about March 1 and the largest volume is reached in April.

The United Arab Republic's fresh onion exports averaged 3.5 million hundredweight annually from 1958 to 1962. The total for 1963 is expected to be about 2.9 million, of which 2.5 million had been shipped by the end of June.

Canned Fruit and Juice Prices in Hamburg

Selling prices, including import duty and tax paid, of selected canned fruits and prices in Hamburg, Germany, in October 1962, July 1963, and September 1963 for orders up to $10,000 are given in the following table (selling prices for larger orders are somewhat lower):

Type and quality	Can size	Price per dozen units: October 1962	July 1963	September 1963	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Halves, choice	2½	(1)	3.45	3.24	Czechoslovakia
Halves, choice	2½	(1)	3.87	3.84	Greece
Halves, choice	2½	3.75	3.81	3.75	South Africa
Halves, choice	2½	3.78	3.57	3.50	Spain
Peaches:					
Halves, choice	2½	(1)	4.64	4.32	U.S.
Halves, heavy syrup	2½	3.70	3.93	3.92	U.S.
Halves, choice light syrup	10	13.96	14.70	14.52	U.S.
Pears:					
Halves, choice	2½	(1)	4.20	4.20	Australia
Halves, choice	2½	4.28	4.08	3.75	Netherlands
Halves, choice	2½	4.60	4.36	4.26	Italy
Fruit salad:					
Choice	15 oz.	(1)	2.61	2.94	Spain
Choice	15 oz.	(1)	3.06	3.30	Japan
Choice	2½	(1)	7.50	7.77	U.S.
Fruit cocktail:					
Choice	2½	4.52	4.99	5.19	U.S.
Pineapple:					
Slices, fancy	2½	4.73	4.50	4.50	U.S.
Slices, choice	2½	3.78	3.72	3.85	Philippines
Slices, choice	2½	3.88	4.35	3.88	U.S.
Slices, choice	2½	3.51	3.42	3.48	South Africa
Slices choice	1 tall	2.18	2.15	2.14	Malaya
Broken pieces	2½	3.30	3.18	3.27	Taiwan
Broken pieces	2½	3.30	3.42	3.27	South Africa
Crushed choice	10	9.24	8.19	8.52	South Africa
Crushed choice	10	9.24	(1)	8.94	Taiwan
Crushed choice	10	(1)	11.55	11.64	U.S.
Crushed fancy	10	11.84	11.97	12.15	U.S.
CANNED JUICES					
Grapefruit:					
Unsweetened	2	(1)	2.06	2.13	Trinidad
Unsweetened	46 oz.	3.15	5.10	5.58	U.S.
Pineapple:					
Choice	2	(1)	1.60	1.57	U.S.
Choice	2	1.70	1.68	1.74	U.S.
Choice	2	1.64	1.60	1.64	South Africa
Choice	46 oz.	3.45	3.57	3.57	U.S.

[1] Not quoted.

Red Chinese Buy Iraqi Dates

According to a report from Iraq, Communist China has thus far agreed to buy 40,000 metric tons of Iraqi dates during the current season. An agreement to this effect is to be signed shortly.

Iraq expects the Chinese to make additional purchases of dates later in the season. Last season, they bought 70,000 metric tons of low and medium grade Iraqi dates.

U.S. Imports More Frozen Strawberries

Imports of frozen strawberries into the United States from Mexico established a new high of 32.5 million pounds during January-August 1963. Not only did they exceed imports in the comparable periods of 1962 and 1961 by 7 and 14 percent respectively, but they are already slightly in excess of the 32.3-million-pound total for the entire calendar year 1962, and considerably above the 1961 total of 29.8 million pounds.

Hong Kong's Soybean Oil Imports Decline

Hong Kong's imports of soybean oil in the first 6 months of 1963 totaled 7,031 short tons, valued at US$1.6 million; this was less than one-half the 14,443 tons, valued at US$4.1 million, imported in the first half of 1962. The U.S. share of the market, however, increased from 56 percent in 1962 to almost 100 percent in 1963. In calendar 1962, imports were 34,957 tons, valued at US$9.0 million, with 78 percent from the United States.

HONG KONG: SOYBEAN OIL IMPORTS, ANNUAL 1962 AND JANUARY-JUNE 1962 AND 1963

Country of origin	1962	January-June 1962	January-June 1963
	Short tons	*Short tons*	*Short tons*
United States	27,248	8,143	7,027
Japan	7,566	6,182	(1)
Malaya	80	80	—
Netherlands	60	37	—
Others	3	1	4
Total	34,957	14,443	7,031

[1] Less than one-half ton.
Official Hong Kong trade statistics.

Hong Kong trade sources believe that if the Chinese Communists do not offer soybean oil for sale during the Canton Trade Fair (Oct. 15-Nov. 15), there will be increased interest in U.S. soybean oil, provided the price is competitive. Indications are that Communist China will not have sizable quantities of soybean oil available for export. All the known negotiations have been in terms of soybeans rather than soybean oil.

Ceylon's Exports of Coconut Products

Following the below-average rainfall of 1962, coconut production in Ceylon in the first 6 months of 1963 was substantially below the level for the comparable period a year ago; this resulted in a corresponding decline in the production and exportation of all coconut products.

The occurrence of a coconut-palm withering disease in the southern area of Ceylon has caused some concern. The disease, however, does not appear to have spread widely and is currently under investigation.

Coconut oil exports in all categories in the first half of 1963 declined by 37 percent from those of the same period in 1962. The exports of raw coconut oil in bulk (the largest category of oil exports) decreased by 16 percent, from 27,282 tons to 22,809. Exports of raw coconut oil in drums declined very substantially, from 18,510 tons to 8,288, owing largely to reduced buying by Mainland China. Exports of processed coconut oil in drums declined also, from 4,457 tons to 749.

Copra exports fell by 43 percent in volume from that in the first 6 months of last year. Exports of desiccated coconut were down by 7 percent.

CEYLON: COPRA, COCONUT OIL, DESICCATED COCONUT EXPORTS, JAN.-JUNE, 1962 AND 1963

Country of destination	January-June 1962	January-June 1963
Copra:	*Long tons*	*Long tons*
Burma	1,086	253
China, Mainland	2,722	—
India	22,808	15,583
Pakistan	1,531	1,399
Poland	1,850	—
Total	30,067	17,276
Coconut oil:		
Canada	8,534	4,541
China, Mainland	9,542	1,000
Germany, West	2,437	500
India	2	1,287
Italy	4,910	5,158
Netherlands	1,093	2,105
Pakistan	5,093	4,962
Poland	2,874	1,264
United Kingdom	2,546	4,491
USSR	4,147	1,065
Other	9,071	5,474
Total	50,249	31,847
Desiccated coconut:		
United Kingdom	9,029	7,773
Germany, West	2,785	2,043
Australia	1,501	1,243
Other	6,406	7,361
Total	19,721	18,420

Italian Imports of Oilseeds and Oils

Italy's sharply increased outturn of edible olive oil in 1963-64 may approach or possibly exceed the 1961-62 record of 393,300 tons. Nevertheless, its oilseed imports in 1963 are expected to increase markedly—possibly by more than 25 percent or about 800,000 tons. This increase reflects reduced harvests of domestically produced rapeseed, tomato, and grapeseed as well as growing demand.

During January-April 1963, Italian imports of oil-bearing materials, at about 278,000 metric tons, were up nearly two-fifths from the corresponding period in 1962. Imports of vegetable oils climbed to nearly 70,000 tons—an increase of more than 70 percent from the comparable period last year.

Imports of oil-bearing materials, largely soybeans from the United States, made sharp gains in the first 4 months of 1963. Peanut imports were more than double those in the comparable period last year and accounted for two-fifths of the net aggregate gain this year. Soybean imports, accounting for more than one-half of the total imports, represented 30 percent of the gain. Imports of rapeseed—more than triple those of the comparable period a year ago—accounted for about one-fourth of the

gain, and those of sunflowerseed—also up sharply—for most of the remainder. Imports of flaxseed alone declined sharply.

Imports of vegetable oils in January-April were sharply above those of last year, largely reflecting heavy imports of olive oil. Olive oil imports through April, mostly from Spain, were more than two and one-half times those in the corresponding period last year. However, according to latest unofficial trade reports, Italian olive oil imports in the first 6 months of calendar 1963 amounted to 62,868 tons, only 45 percent above the 43,275 tons imported in the first half of 1962. Consequently, it now appears that with high olive oil prices—relative to seed oils—olive oil imports in 1963 will not exceed 120,000 tons.

Seed oil imports through April 1963 amounted to about 18,500 tons compared with the 19,500 tons imported in the same period last year. Total oil imports in 1963 other than olive oil—largely coconut and palm oil—may be slightly above 1962's or about 70,000 tons.

ITALY: IMPORTS OF SELECTED OIL-BEARING MATERIALS AND VEGETABLE OILS

Item	1961	1962	January-April 1962	January-April 1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Oil-bearing materials:				
Cottonseed	38	529	590	279
Peanuts [1]	73,385	80,992	27,310	57,566
Soybeans	204,646	337,301	119,114	142,601
Sunflowerseed	93,155	32,225	12,887	18,745
Rapeseed	64,854	103,364	9,470	30,327
Sesameseed	19,765	20,687	7,482	10,589
Mustardseed	128	313	44	65
Poppyseed	348	(2)	(2)	(2)
Hempseed	474	460	232	330
Copra	19,443	23,717	7,033	8,605
Palm kernels	254	300	290	300
Flaxseed	13,009	14,029	8,400	2,439
Castorbeans	9,436	9,464	2,943	3,246
Others	2,896	4,840	4,227	1,816
Total	501,831	628,221	200,022	276,908
Vegetable oils:				
Cottonseed	204	30	20	—
Peanut	85	905	61	688
Soybean	10,389	2,146	660	728
Sunflower [3]	1,873	136	65	650
Rapeseed	824	1,674	761	425
Sesame	24	14	4	—
Olive [4]	98,739	112,230	20,928	50,836
Coconut [5]	28,485	25,551	6,611	3,684
Palm	24,756	25,525	6,272	6,827
Linseed	15,816	15,978	4,255	4,849
Castor	72	117	31	115
Tung	1,474	1,595	716	369
Others	664	892	—	—
Total	183,405	186,793	40,384	69,171

[1] Shelled basis. [2] Not separately classified. [3] Includes corn oil. [4] Excludes sulfur oil. [5] Includes some illipe and palm oil.
Italian Central Institute of Statistics.

Malaya's Exports of Copra and Coconut Oil

Net exports of copra and coconut oil from the Federation of Malaya and Singapore in the first 6 months of 1963 totaled 8,970 long tons (oil equivalent). In January-June 1962, Malaya had net exports of only 1,779 tons. The increase reflects the slight recovery in production during the first half of 1963.

Since shipments of copra from Indonesia continued to decline this year, January-June imports of copra were 17 percent below the volume in 1962. On the other hand, exports were up one-fourth. Net exports of coconut oil decreased by 12 percent in January-June 1963.

Net exports of copra and coconut oil are likely to drop off materially in the last months of 1963 following the cessation of trading relations with Indonesia in late September and the current indications of reduced supplies of domestic copra. Moreover, Singapore placed a ban on the exports of copra and coconut oil to destinations other than the Malaysian territories as a result of the Indonesian confrontation policy against Malaysia. Singapore's ban on the export of coconut oil, however, has been partially and temporarily lifted and the export of coconut oil is now permissible on quota. The Central Government, reportedly, has not made any firm decision on the question of restricting export of copra and coconut oil outside Malaysia.

COPRA, COCONUT OIL: MALAYA-SINGAPORE, EXPORTS, IMPORTS, NET EXPORTS, JAN.-JUNE 1962, 1963

Continent and country	Copra January-June 1962 [1]	Copra January-June 1963 [1]	Coconut oil January-June 1962 [1]	Coconut oil January-June 1963 [1]
	Long tons	*Long tons*	*Long tons*	*Long tons*
EXPORTS				
North America	—	—	2,789	1,121
South America	—	—	617	671
Europe:				
Germany, West	200	—	—	989
Italy	425	1,502	2,291	331
Netherlands	250	2,493	685	204
Spain	296	650	—	460
Sweden	1,175	—	—	—
United Kingdom	100	—	953	460
Other	1,000	400	—	393
Total	3,446	5,045	3,929	2,837
Africa:				
Egypt	—	—	350	1,720
Mozambique	—	—	102	336
South Africa, Rep. of	—	—	2,554	2,853
Other	—	—	1,877	1,256
Total	—	—	4,883	6,165
Asia:				
Aden	—	—	1,385	614
Burma	—	—	983	79
Cambodia	—	118	—	564
China, Mainland	—	—	300	975
China, Taiwan	50	1,700	579	171
Hong Kong	—	—	212	209
India	14,484	17,078	5	206
Iraq	1,400	1,500	—	400
Japan	3,610	2,587	—	52
Pakistan	—	—	790	1,228
Vietnam, North	—	—	787	935
Other	1,070	2,144	1,593	1,053
Total	20,614	25,127	6,634	6,486
Oceania	—	—	176	136
Grand total	24,060	30,172	19,028	17,416
IMPORTS				
Indonesia	47,910	39,643	5	509
West Irian	24	534	—	—
North Borneo	1,936	1,039	—	—
Sarawak	—	—	494	546
Other	282	505	51	—
Total	+50,152	41,721	550	1,055
Net exports	—26,092	—11,549	18,478	16,361
Net exports of copra and coconut oil:				
Copra equivalent	2,780	14,015	—	—
Oil equivalent	—	—	1,779	8,970

[1] Preliminary.
Compiled from official sources.

UAR To Get Vegetable Oil Refining Plants

The UAR's edible oil industry was to receive late in October the first of a series of 12 new vegetable oil refining plants ordered from a British firm, according to an Egyptian press report. All plants are expected to be shipped to the UAR by the end of February 1964.

The plants, which are the most up-to-date of their kind, are automated and do not require skilled labor to operate. Reportedly, they will be sufficient to refine all the UAR's cottonseed oil.

Venezuela Issues Coffee Regulations

Venezuela recently issued two sets of regulations on coffee, which will help it conform with requirements under the International Coffee Agreement.

Decree No. 1109 of September 20 enables the government to regulate coffee exports in accordance with quarterly delivery quotas. Resolution No. 336 of September 26 redefines coffee (and cocoa bean) grades. The purpose of the new grades is to maintain high-quality beans for export and domestic sale and to assure consistency with internationally recognized classifications. Bags containing coffee for export are to be marked "Product of Venezuela" and also "New Market" when applicable.

Iran Produces More Kenaf in 1963

Favorable weather helped raise Iran's 1963 production of kenaf to 9.9 million pounds from 8.8 million in 1962. Harvested area, at 9,600 acres, remained the same.

Iran uses 10–11 million pounds of kenaf and jute fiber annually, and depends on imports of jute fiber and yarns from Pakistan and India to supplement domestic supplies. It also imports bags and fabrics of jute, principally from the same two countries.

Greek Sugar Imports Decline

Increased sugar production in Greece is bringing about a considerable reduction in import requirements. Imports in 1963 will probably total less than 80,000 metric tons (88,000 short tons), as compared with the recent annual average of more than 115,000 (126,764 short tons). In recent years over 90 percent of Greek sugar imports have been from Bloc countries.

Several refineries have been built in the past 3 years, and these will be in regular operation in 1964. Plant capacity will be almost sufficient to cover Greece's domestic consumption requirements of about 120,000 metric tons (132,000 short tons) per year.

Colombia Cotton Production Down 11 Percent

Colombia's 1963-64 cotton crop is currently estimated at 335,000 bales from about 400,000 acres. This production decrease of about 50,000 bales from 1962-63 is largely due to the fact that the Colombian Government's decision to raise cotton support prices and expand commercial credit was delayed until after the planting season in the Central Zone, the main producing area. Many farmers shifted land intended for cotton into sesame production.

The 1962-63 crop, currently placed at 375,000 bales (500 pounds gross), set another record for Colombia. This resulted from favorable growing conditions and an acreage of 450,000, compared with about 400,000 in the preceding year. The acreage increases were planted in response to high support prices to producers. This crop was 4 percent larger than the 360,000 bales grown in 1961-62 and 50 percent above the 250,000-bale average for the previous 5 seasons.

Exports during the full 1962-63 season were about 115,000 bales, considerably below the 143,000 bales shipped in 1961-62. Quantities shipped to major destinations during the August-May period of 1962-63 with comparable 1961-62 figures in parentheses, were: the United Kingdom 38,000 bales (40,000); West Germany 23,000 (25,000); Netherlands 16,000 (26,000); Canada 8,000 (6,000); France 6,000 (8,000); and Ecuador 4,000 (2,000). Exports in the 1963-64 season are expected to be about 50 percent below last year's level. On September 8, the Government suspended all exports indefinitely because of the Central Zone's sharply reduced crop in 1963.

During the 1962-63 crop year, Colombia imported about 3,000 bales of long staple cotton, mainly from Peru.

Cotton consumption in 1962-63 also broke another record, reaching 260,000 bales, compared with 240,000 in 1961-62. Consumption during 1963-64 is expected to be about 30,000 bales or 12 percent over the 1962-63 level. The Central Zone crop will be barely enough to meet domestic needs. Exports will necessarily have to come primarily from the Northern Zone crop which is harvested starting in December.

Belgian Cigarette Output Up

Output of cigarettes in Belgian factories rose to 6,432 million pieces in January-June 1963, compared with 6,054 million in the first half of 1962. This represented a 6-percent increase in the number of cigarettes produced, though the quantity of leaf tobacco used in cigarette manufacture rose only 4 percent.

Cigar production rose 5 percent, but output of all other products—cigarillos, smoking tobacco, chewing tobacco, and snuff—was below that in January-June 1962.

Japan Harvests Larger Tobacco Crop

Latest estimates place Japan's 1963 tobacco harvest at 336 million pounds, compared with 307 million in 1962.

The 1963 crop of flue-cured tobacco, at 191 million pounds, was the same as in 1962. Although acreage was up 11 percent, unfavorable weather reduced yields.

Burley production totaled 22.7 million pounds this year, compared with 16.3 million a year ago. Production of other kinds, largely native light sun-cured, rose from 99.5 million in 1962 to 122.4 million in 1963.

Despite the increase over last year, the total 1963 crop is still expected to be slightly below requirements. Stocks also are reported to be below the required level. Conse-

quently, the Japan Monopoly Corporation will attempt to increase plantings in 1964. According to the Monopoly's plans, the area planted to flue-cured will rise from 111,000 acres to 123,600 and that for burley, from 9,700 to 10,600 acres. The total planted area is expected to be about 200,000 acres, compared with 180,000 in 1963.

Denmark Takes More U.S. Tobacco

Denmark's imports of U.S. tobacco totaled 8.2 million pounds in the first 6 months of 1963, up 1.6 million from the comparable period of last year. The U.S. share of the Danish market represented 61 percent of the total; it was 47 percent last year. Imports from the other principal suppliers—Brazil and Indonesia—were down from a year ago.

Total Danish tobacco imports for the same period of 1963 were 13.4 million pounds, compared with 13.9 million in January-June 1962.

TOBACCO, UNMANUFACTURED: DENMARK, IMPORTS BY COUNTRY OF ORIGIN, JANUARY-JUNE 1961-1963

Country of origin	January-June		
	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	7,094	6,550	8,166
Brazil	2,985	2,866	1,786
Indonesia	1,038	2,114	1,144
Other non-European countries	1,550	2,171	1,697
European countries	470	236	635
Total	13,137	13,937	13,428

Vareomaetningen Med Udlandet, June 1963.

Mexico Again Permits Cattle Hide Imports

On October 12 Mexico lifted the embargo it had put into effect August 2 on imports of cattle hides. (See *Foreign Agriculture,* Sept. 2, 1963.) It is expected that Mexico will import about 200,000 hides during the remainder of 1963, bringing total imports for the year to about 550,000 pieces or 8 percent of total U.S. exports to all countries.

The United States is Mexico's largest supplier. U.S. exports of cattle hides and calf skins to that country were valued at $1.8 million in the first 6 months of 1963.

U.S. Pork Exports to Canada Declining

U.S. pork exports to Canada, which reached a peak of 10.2 million pounds in May, declined each month thereafter to 3.8 million in August and probably were even lower in September and October.

Exports to Canada have been at a record level this year as a result of a sharp drop in hog production in Canada following the 1961 drought. During January-August 1963, Canadian pork imports totaled over 62 million pounds compared with 23 million a year earlier.

Canadian hog marketings have increased substantially during recent months. Canada's hog population on September 1, 1963, totaled 5.5 million head, 4 percent above a year earlier. This year's fall farrowings are expected to be up by as much as 21 percent from a year earlier.

According to the Canadian Department of Agriculture, Canada's hog slaughtering should increase by 6 percent in October-December, 11 percent in January-March 1964, and 14 percent in April-September 1964.

Hog prices in Canada have been relatively high. The support price for 1963 was $23.65 per 100 pounds on a national average for grade A hog carcasses. During the week ended October 5, 1963, the national average price was $27.46 per 100 pounds and that for January 1-October 5 was $27.80.

Canadian Tallow Markets

Canadian tallow exports for the first 7 months of 1963 reached 59 million pounds, compared with 55 million for the corresponding period in 1962. Cuba and Japan, with 16 million pounds each, plus the United Kingdom, with 13 million, took 77 percent of the 1963 shipments. Other countries taking over 1 million pounds were Holland, Ecuador, El Salvador, and the United States.

In general, the chief markets for Canadian tallow are also the chief ones for U.S. tallow. However, Commonwealth Preferential duties make it difficult for the United States to compete with Canada in the United Kingdom, and U.S. exports to Cuba are embargoed. Canada's 17½-percent ad valorem import duty tends to limit imports from the United States.

New Zealand Meat Shipments to the U.S.

Six ships are scheduled to leave New Zealand during November with 11,760,000 pounds of meat for the United States—8,736,000 for the East Coast and 3,024,000 for the West Coast.

Ship	Sailing date	Destination	Quantity
			Pounds
Whakatane	Nov. 5	East Coast	1,344,000
Medic	21	do.	7,392,000
Mariposa	Nov. 1	West Coast	224,000
Orsova	8	do.	112,000
Alexander von Humbolt	10	do.	1,344,000
Crusader	16	do.	1,120,000
Monterey	22	do.	224,000

New Zealand Meat Exports Rise

New Zealand's export earnings from livestock products reached a new high of $646.2 million in 1962-63. In 1959-60 they had amounted to $586.3 million. Wool and meat continued to be the major agricultural export earners in 1962-63, contributing $320.3 million and $260.4 million, respectively.

Prospects are good for New Zealand to expand its agricultural trade in 1963-64. Wool production is expected to rise considerably; there are indications that world prices will be above 1962-63. Meat production is expected to rise about 2 percent, owing to increasing lamb slaughter and a continued expansion both in beef cattle numbers and beef cattle slaughter.

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New Zealand also exports relatively small amounts of hides and skins, sausage casings, sheepskins, tallow, live animals, and other meat byproducts.

Japan Tallow Outlook

Japan's domestic production of tallow has remained about the same for the past several years and is currently estimated at 34 million pounds. Increasing numbers of beef cattle on farms will eventually mean larger available supplies; however, reduced slaughter during the latter part of 1963 should keep supplies at about last year's level. Japan imports about 90 percent of its beef tallow requirements. In 1962 these imports were 296 million pounds; for 1963, they are estimated at 329 million.

Japan is the major market for U.S. tallow, taking 268 million pounds in 1962, and U.S. exports to Japan have been increasing in 1963.

Guatemalan Meat Exports Continue High

Meat exports from Guatemala in 1962 totaled $3.8 million, up sharply from the $800,000 exported in 1961, when that country first began shipping to the United States. During the first 5 months of 1963 the export value was $1.5 million; for the full year of 1963 it is estimated at $3.6 million. The country's two export packing plants each plan to slaughter their entire 25,000-head quota. Most of the meat is shipped to the United States as frozen boneless beef.

The Bank of Guatemala has been developing a loan plan for expanding livestock production. Guatemala imported over 1,000 purebred cattle and 22,000 feeders in 1962, mostly from Honduras and El Salvador, and over 100 head of breeding cattle from the United States. Apparently cattle numbers on farms and ranches are continuing to increase; they are unofficially estimated at around 1.5 million head. Beef production in 1962 was about the same as that for a year earlier.

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